

Executive for A&M

21 October 1948

General Counsel

Personal Service Contracts

1. I concur in the proposal of the Chief, Budget and Finance Branch as to the use of the contract form but, in the interest of clarity, wish to suggest certain changes in wording.

2. Under paragraph 1d, establishing the rate of compensation in the contract, there are two squares to check. One refers to the rate "per day of service" and the other to the rate "per diem, WAE". These distinctions are presently well understood by Personnel and Finance, but there is no common understanding of this distinction throughout Government. "Per day of service" is clear enough and indicates that payment will be made for each day of work performed, regardless of the number of hours involved. "Per diem, WAE" can be construed to mean the same as "per day of service" but due to recent discussions is now understood to mean a per diem rate which is paid only for actual hours worked. To make this quite clear in the future, we suggest putting after the phrase "per diem, WAE" the words "for actual hours worked only" in parenthesis.

3. Further, to clarify this situation, we believe that subparagraphs 2b and 2c in the printed conditions on the back should be amended to read as follows:

"b. Consultants or experts whose compensation is stated to be per day of service will be paid only for days when actually employed and will not be entitled to overtime or night differential payments. When work is performed on holidays or non-work days, only the regular daily rate will be allowed."

"c. Consultants or experts whose compensation is stated to be at a per diem rate, WAE, for hours actually worked only, will be paid on an hourly basis when actually employed and will be entitled to overtime and night differential payments only when specifically authorized by the personnel officer at the time the contract is signed. In the same manner,

the personnel officer may authorize payment for holidays at holiday rates when the holiday falls within the tour of duty and the individual is in a pay status the day before and the day after such holiday."

4. In paragraph 4c, we feel the word "normally" is not necessary and may prove confusing, and we therefore recommend that it be eliminated.

LAWRENCE R. HOUSTON

LRH:mbt